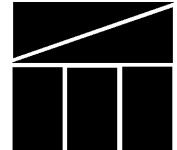


Budget Execution Instructions

**FY 2004 Yearend Closing
FY 2005 New Year Start-up**



**Virginia Department of
Planning and Budget
Revised June 8, 2004**

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Introduction

General

This package provides guidance and instructions to close out FY 2004 and start up FY 2005.

Calendar

The significant dates for year-end close and new year start-up actions are:

<i>Date</i>	<i>Action</i>
June 7, 2004	(1) Agencies submit requests for use of recovery subobject codes (2) Cutoff date for submission of Form 27 actions for FY 2004
June 11, 2004	(1) Agencies submit packages for reappropriations of capital projects for FY 2005 (2) Agencies submit packages on obligations/commitments against FY 2004 maintenance reserve funding,
June 14, 2004	DPB submits final FY 2004 appropriation actions to Department of Accounts (DOA)
To be determined	FATS becomes available for FY 2005 transactions.
July 16, 2004	Signed Acknowledgement of Notification of Provisions of the Appropriation Act Relating to Indebtedness of State Agencies returned to DPB
July 22, 2004	State Comptroller final close for FY 2004
August 13, 2004	State Comptroller issues preliminary report for FY 2004
October 1, 2004	Agencies clear out convenience subobject codes other than the xx95 series
Fall 2004	DPB completes reappropriation of approved FY 2004 unexpended general fund operating expense balances and balances become available to agencies on CARS

Terms and references

2004 Amendments to the 2003 Appropriation Act means amendments to the biennial appropriation act for the 2002-04 biennium as passed by the 2004 General Assembly. In these instructions, it may also be referred to as “Chapter 943.”

2004 Appropriation Act means the biennial appropriation act for the 2004-06 biennium as passed by the 2004 General Assembly.

FY 2004 means the fiscal year beginning July 1, 2003, and ending on June 30, 2004.

FY 2005 means the fiscal year beginning July 1, 2004, and ending on June 30, 2005.

Deficits

Section 4-3.01 of the General Provisions of the 2004 Appropriation Act prohibits agencies from obligating or expending funds in excess of appropriations, or obligating or expending at a rate which would result in expenditures in excess of nongeneral fund revenue collections, without prior approval by the Governor. The State Comptroller reserves the right to delete any transaction that fails to meet CARS cash, appropriation, or allotment criteria.

Section 4-3.01 of the act also sets out the penalties for violations. The prohibition from incurring a deficit applies to all state agencies in the legislative, judicial, and executive branches, and to the independent agencies. A copy of this section is in Appendix A.

This section act also requires the Governor to bring the deficit provision to the attention of the members of the governing board of each state agency or the agency head if there is no governing board. Consistent with this provision, you are asked to acknowledge the receipt of this notification by completing the form found in Appendix A and returning it to the Department of Planning and Budget by July 16, 2004. A signed form is required from the Cabinet Secretaries and all agency heads in the legislative, judicial, and executive branches and the independent agencies. The personal signature of the Cabinet Secretary or agency head on the form is required.

The heads of agencies with governing boards should provide each board member with a copy of this notice and of §4-3.01. The governing boards are those specified as supervisory boards in §2.2-2100, Code of Virginia. Agency heads are also requested to provide the material to any board members and fiscal officers who may be appointed in the future.

Agency analysis and monitoring of expenditures against cash, allotments, and appropriations are important to avoid incurring a deficit at the close of the fiscal year on June 30, 2004. It is important that agencies alert the Department of Planning and Budget (DPB) before June 7 if you anticipate a problem in closing the year. Do not wait until the yearend close is underway.

Agencies should not assume that expenditures in excess of appropriations will be met from unappropriated nongeneral funds, by transfers from other current appropriations, or from appropriation of a prior year unexpended balance. Each agency's request for an appropriation allotment or any other action which requires executive approval will be treated, in the absence of any specific statement to the contrary, as your representation that approval of the request will neither directly nor indirectly create a deficit.

Final Appropriation and Allotment Actions for FY 2004

The deadline to submit Form 27s (FATS) to DPB for FY 2004 appropriation and allotment actions, both operating and capital, is:

5 p.m., Monday, June 7, 2004

If you have any ***agency pending*** transactions on FATS that do not need processing, you should **void** these transactions before this closing date. You will have ***inquiry*** access after the deadline to allow you to review or browse voided or completed FY 2004 transactions.

DPB will process the final FY 2004 actions and provide them to the Department of Accounts (DOA) by **Monday, June 14, 2004**.

Initial Appropriations and Allotments for FY 2005

Establishing operating expense appropriations for FY 2005

DPB will create initial appropriations and allotments for FY 2005 operating expenses and will transmit them to CARS. The appropriations will be available to you on a date to be determined, depending on action on HB 5001.. **You do not need to take any action.**

DPB's initial actions will include:

1. Legislative appropriations in the 2004 Appropriation Act.
2. Transfer (rollover) of Fund 0100 to Fund 0300 in program 100 (Educational and General Programs) for institutions of higher education. This transfer will be made for the initial FY 2005 legislative appropriation in the 2004 Appropriation Act.

See Appendix B for information concerning FY 2005 transfers to and from Central Appropriations that will occur later in the fiscal year. Appendix B also discusses statewide nongeneral fund cash transfers required by Part 3 of the 2004 Appropriation Act.

Allotments / exceptions

Your operating expense appropriations, except those listed in Appendix D, will be allotted and available for expenditure on July 1, 2004.

The July 1, 2004, CARS data will reflect subobject code detail for personal services and will be at the major object level for nonpersonal services, including convenience subobject codes. This data represents the budget as passed by the 2004 General Assembly.

Appropriation adjustments required to be available on July 1, 2004

For selected state agencies, two actions will not be reflected in the initial appropriations transmitted to CARS by DPB. These are:

1. Dollar amounts at subobject level detail for sum sufficient items included in the 2004 Appropriation Act.
2. Appropriation of certain unexpended federal grants that must be immediately available on July 1, 2004, to ensure that services may continue without interruption.

For sum sufficient appropriations, use adjustment type “F” and include a transaction brief stating: ***“To establish the sum sufficient amount for Item # in the 2004 Appropriation Act.”***

For unexpended federal funds use Adjustment Type E. Round the requested amount **down** to the nearest whole dollar. The amount requested should not exceed the **agency estimate** of the cash balance that will be unexpended on June 30, 2004. Your transaction brief should clearly describe how the funds will be used and the need for the appropriation and note that it is an estimated amount. Pages five and six of the FATS Online System User Manual lists the questions that **must** be addressed in the FATS transaction brief. (The manual is on the DPB website at www.dpb.state.va.us/ under “Documents and Forms.” Search for “FATS Manual.”)

The State Comptroller will close the fiscal year on July 22, 2004, and report the exact amount of the unexpended appropriations **in the last week of July** in the yearend reports. If the original requested amount exceeds the amount reported by the State Comptroller, submit another Form 27 on FATS to adjust the original request down to the exact amount. **Again, round the requested amount down to the nearest whole dollar.**

Changes to initial appropriations/operating plan adjustments

Clearing out convenience subobject codes. While the initial appropriations on CARS will contain convenience subobject codes, expense vouchers to be processed through CARS must be coded using valid expenditure subobject codes. No convenience codes can be used to record expenditures; therefore, agencies **may not** use convenience codes to appropriate funds during the fiscal year.

The following guidelines apply to clearing out convenience subobject codes in PROBUD. First, any convenience codes affecting personal services amounts and positions for FY 2005, including fund 1200, **must** be cleared out by **October 1, 2004**. Second, also clear out any nonpersonal services subobject codes, except the xx95 codes, by **October 1, 2004**. Third, it is not necessary to clear out the xx95 convenience codes for undistributed nonpersonal services. However, agencies cannot expense against the xx95 convenience codes. If you desire, you may clear out these xx95 convenience codes through FATS transactions whenever you wish.

See Appendix D for a listing of the convenience codes.

Reappropriation of FY 2004 unexpended general fund appropriations for operating expenses

As part of the yearend close process, the State Comptroller reverts all unexpended general fund operating expense appropriations to the fund balance of the general fund. Section 4-1.06 of the 2004 Appropriation Act governs the reappropriation of such unexpended general fund operating expense appropriations for use in the next year. Under that section, the Governor has general authority in his discretion to approve reappropriations for Executive Department agencies, other than those for which the General Assembly has mandated reappropriations by specific language in the act. The act mandates the reappropriation of unexpended appropriations for agencies in the legislative and judicial departments and the independent agencies, and reappropriation of some unexpended appropriations for other agencies and institutions of higher education. For institutions of higher education the cash balance in Educational and General programs (fund 0300) will be considered general fund at the end of the fiscal year. The reappropriation amount will equal the unexpended cash balance that has been appropriated in FY 2004.

DPB will calculate centrally the amount available for reappropriation for each agency, based on DOA's report of unexpended appropriations (CARS ACTR 1408) for FY 2004 final close, which will be available the last week of July. **Agencies should not submit FATS transactions for these reappropriations.**

DPB may request additional information from agencies in August, once the State Comptroller reports the exact amount of unexpended balances. It is expected that reappropriation decisions will be completed in November. There may be some cases where retention by the general fund will be necessary, as provided in § 4-1.06, and reappropriation cannot be made. In those cases, the DPB analyst will contact the affected agency.

The unexpended general fund operating expense appropriations must be reappropriated in the respective programs in the CARS ACTR 1408 report. DPB will prepare the FATS transactions to reappropriate the approved balances. Agencies may find it necessary to submit FATS transactions to distribute the amounts to valid subprogram and expenditure subobject codes within the designated program or to transfer the reappropriation to a different program from that in which the appropriation was listed in CARS on June 30, 2004. Any such program transfers **must** be accompanied by a transaction brief providing the basis for the request. (See page eight of the FATS Online System Users Manual for items that must be included in the brief.)

Appropriation of FY 2004 nongeneral fund unexpended cash balances

Unexpended nongeneral fund appropriations are not automatically brought forward in PROBUD and CARS. They will expire on June 30, 2004. Unexpended nongeneral fund cash balances on June 30, 2004, must be appropriated if you wish to spend this cash in FY 2005. The appropriation is subject to DOA's cash controls. DOA will not approve expenditures that exceed the available cash.

Agencies may be asked to complete a plan of expenditure for any nongeneral fund cash balances prior to submission of FATS transactions. Once these plans have been approved, agencies will be instructed to prepare FATS transactions to appropriate (to the extent necessary) and spread these amounts to the appropriate programs and subprograms. Further details on the preparation of these plans, if they are required, will be forthcoming.

For authorized nongeneral fund carry forward requests, agencies should:

1. Verify on the final close CARS ACTR 402 report the actual unexpended cash balance. (DPB will not notify agencies of this amount.)
2. Submit a Form 27 on FATS to DPB requesting appropriation and allotment of the amount estimated to be needed in FY 2005. If the entire balance is to be requested, then it must be rounded **down** to the nearest dollar. Use Adjustment Type E. **Failure to round down will delay posting of your appropriation to CARS and will consequently delay processing of payments.**

Additional nongeneral fund revenue appropriations

If your agency desires to create a nongeneral fund operating appropriation on or after July 1, in anticipation of new or supplemental revenues to be received in FY 2005, it should process a FATS transaction, Adjustment Type G. The request must include a transaction brief clearly explaining and justifying how the additional nongeneral funds will be expended and describing the source of the additional funding. Page five of the FATS Online System User Manual lists the questions that **must** be addressed in the FATS transaction brief. In addition, the transaction brief must include the revenue source code associated with the additional revenue. It is the agency's responsibility to provide cash to support the appropriation thus created.

FY 2005 Higher Education Equipment Trust Fund lease payments

The Appropriation Act provides funding to support debt service on equipment purchased through the Virginia College Building Authority's (VCBA) Higher Education Equipment Trust Fund. As has been the case since fiscal year 2000, the general and nongeneral fund appropriations are included within the Treasury Board budget instead of within the budgets of each institution of higher education. This allows the Commonwealth to consolidate debt service on tax-supported debt (i.e. debt supported primarily from the general fund) in one central location within the Treasury Board.

Since the general fund appropriation is now included as part of the Treasury Board budget, the Treasury Board makes the debt service payment to the VCBA directly. However, the nongeneral fund portion of the payment cannot be made to the VCBA until funds are transferred from each institution to support the nongeneral fund appropriation authority provided in the 2004 Appropriation Act. Therefore, the Department of Accounts will take action on or about July 1 to transfer the appropriate cash amount listed in Item 296, paragraph C. 5 for all institutions from balances in fund code 0300 (higher education operating). Also see Appendix F.

The 2004 General Assembly approved a new fee to be charged to out-of-state students. The additional funds will be used to pay a portion of the debt service on the bond issues to finance the 2004-06 equipment purchase. Item 296, Paragraph C.3. sets out the amounts designated for each institution. This requirement will not take effect until FY 2006. No action is necessary at this time. Also see Appendix G.

No action will be necessary on the part of the institutions for payment of debt service associated with the Higher Education Equipment Trust Fund.

Request for use of recovery subobject codes xx98 and xx99

DPB has established the xx98 (Inter-Agency Recovery) and xx99 (Intra-Agency Recovery) subobject codes for each of the major objects of expenditure. **These codes may be used only with prior DPB approval.**

When making your decision about the need to use the xx98 subobject codes, please refer to the joint DPB and DOA guidelines entitled “Procedures for Identifying and Accounting for Transactions Between State Agencies and Institutions” dated May 20, 1998. These procedures may be found on DOA’s website at:

<http://www.doa.state.va.us/procedures/FinancialReporting/Pass-Through/Memo.htm>

These guidelines specifically address the procedures to be used for identifying and accounting for subrecipient and vendor transactions, such as those when one state agency purchases services from another state agency. Recovery codes are used only for non-subrecipient/non-vendor relationships. Mainly this would include refunds made by vendors or parties outside state government. They should not be used to record payments for goods or services provided to public or private individuals or entities. Also note that the xx98 subobject codes should only be used when the expenditure and recovery of expenditure occur in the same fiscal year.

If your agency wants to use either or both codes after June 30, 2004, and has not previously received approval from DPB to use these codes, complete the enclosed Form OC-1 (*Appendix H*) for each application at the program level and submit the form to DPB as an e-mail attachment by June 7, 2004. The form is available as a Word document on the DPB website as part of the 2004 closeout / 2005 startup instructions at the following link:

<http://www.dpb.state.va.us/forms/forms.cfm>.

Appendix H lists the agency approved recovery codes. For these recovery codes, no further action is necessary. Any requests for new codes made after June, 7, 2004, for FY 2005 require up to 30 days for action.

Please note that in addition to the recovery subobject codes discussed above, there are two personal services recovery codes available for use by institutions of higher education. These are 1196 (Indirect Cost Recoveries from Auxiliary Programs for Personal Services) and 1197 (Indirect Cost Recoveries from Sponsored Programs for Personal Services). It is very important that institutions of higher education record expenditures to these subobject codes **appropriately, promptly, and accurately** on the Commonwealth’s Accounting and Reporting System (CARS). Institutions should record the

personal service expenditure recoveries **at least monthly** in CARS. This action provides DPB with the most complete picture of how much your institution is recovering from Auxiliary Enterprises and Sponsored Programs for services provided within the Educational and General Program (E&G). **Use of subobject codes 1196 and 1197 does not require prior DPB approval.**

Capital Projects

Capital project review

All capital outlay projects recorded in CARS as of May 7, 2004, including projects authorized in prior biennia or under § 4-4.01 m of the General Provisions of the Appropriation Act, must be reviewed at the close of the fiscal year to identify unobligated appropriation balances that can be reverted and projects that have been completed and should be closed out. Unexpended balances **will not** be reverted if the capital project meets at least one of the following conditions:

- Construction is in progress;
- Equipment purchases have been authorized by the Governor, but have not been received;
- Plans and specifications have been authorized by the Governor, but have not been completed;
or
- Obligations are outstanding at the end of the fiscal year.

The Construction and Professional Services Manual issued by the Department of General Services (DGS) requires agencies to submit a GS Form, E & B CO-14, Project Completion Report, when a Certificate of Occupancy has been issued by the state building official and, in the case of renovation projects where there is no change in use group classification, when the owner has taken beneficial occupancy of the entire project area. DPB will share its list of closed projects with DGS to ensure compliance with the CO-14 submission requirement.

See Appendix I for instructions for completing the Form A. This form is available through the DPB website at the following link: <http://www.dpb.state.va.us/forms/forms.cfm>.

- 1. Requests for continuation or close out of capital projects.** Agencies must submit the following items for the year-end review of capital projects:

DPB Form A (2004) “Capital Project Review Summary.”

- This is a Microsoft Access document that agencies must submit electronically for each project that is on the May 7, 2004, CARS ACTR 1408 Report, including maintenance reserve projects. Do not include projects identified for closeout on the Form A last fiscal year. Due to an anomaly in CARS, projects identified for close out last fiscal year will still appear on the CARS ACTR 1408 reports in the succeeding year with zeroes in all columns. DOA will automatically delete these projects next fiscal year.

- Unexpended June 30, 2004, balances will not be reverted if the capital project meets at least one of the conditions stated previously. The unexpended balances for maintenance reserve projects will not be reverted if the agency has met the 85 percent spending requirement in Item C-149B of Chapter 943.
 - For projects that have an approved E&B Form CO-8 or that have been granted “proceed authority,” agencies must justify on the DPB Form A any amount requested for reappropriation that is greater than the obligated amount. All unobligated balances that are reverted will be returned to their original fund sources.
- 2. Transmittal of Package.** Agencies should submit requests to carry forward project balances to DPB no later than June 11, 2004. The requests should be submitted electronically as an e-mail attachment to the following address:

CapitalBudget@dpb.state.va.us

Please identify the agency code and name in the e-mail address.

- 3. FY 2005 Appropriations.** Once year-end close is completed, for approved projects, DPB will bring forward into FY 2005 the project appropriations in PROBUD as of June 30, 2004. This action will take place approximately August 6, 2004.

Until the capital project appropriations are reestablished in CARS, DOA will process expenditures that take place on and after July 1 through overrides of the normal controls. These transactions may default to the CARS error file briefly until the override takes effect. If you have any questions, please contact the DOA error correction personnel by fax at (804) 225-4250 or by submitting an Error Correction Form.

New capital projects for FY 2005

DPB will create initial appropriations and unallotments for FY 2005 capital expenses (general fund and nongeneral fund) and will transmit them to CARS. The appropriations will be available to you on a date to be determined.

Initial Appropriations. DPB will enter the appropriations for all state-owned projects into PROBUD and transmit them to CARS. **Do not submit FATS transactions to enter new project appropriations into PROBUD and CARS.** All project appropriations will be unallotted.

Project Initiation or Change. Each affected agency must submit an E&B Form CO-2 to DGS. If a project was partially funded in each year of the biennium, a separate CO-2 form must be submitted in FY 2006 for the second year funds. Forms CO-2 for FY 2005 submitted before the start of the fiscal year will be held at DPB until the start of the fiscal year.

Allotment of Project Appropriation. After you have received an approved CO-2, you may submit a FATS transaction to DPB to allot enough funds to complete working drawings (usually 75 percent of the amount budgeted for architectural and engineering fees in the approved CO-2 form). Use Adjustment Type L and distribute the allotment to valid expenditure subobject codes.

After you have received the construction bid and submitted an E&B Form CO-8 to DGS, submit a FATS request to DPB to allot construction funds. DPB will allot up to the bid amount for construction and equipment, an amount for project contingencies (until further notice, this is no more than two percent of the construction contract for new construction or renovations over \$1 million or five percent for renovations under \$1 million), estimated amounts for testing, inspecting, or project management services, and the balance of the architectural and engineering contract.

If project construction and equipment costs are anticipated to exceed the allotted amounts, the agency must submit a revised CO-2 to DGS and a FATS request to DPB to access the remaining appropriated funds. The transaction brief must provide sufficient information to describe and justify the need for additional dollars to be allotted.

Higher Education Decentralization. As a pilot project, selected institutions of higher education were delegated authority in § 4-5.08 b. of the 1996 Appropriation Act to perform certain post-appropriation functions for nongeneral fund capital projects. The delegation was effective upon approval of the policies, procedures, and guidelines of each institution by the Secretaries of Administration and Finance. The authority has been continued until June 30, 2006, in § 4-5.08 b of the 2004 Appropriation Act.

FY 2004 maintenance reserve funding

Chapter 943 (2004) requires state agencies and institutions of higher education to expend 85 percent or more of their biennial general fund maintenance reserve appropriations by June 30, 2004. The purpose of this requirement is to more effectively manage the use of funds provided for physical plant maintenance and upkeep. The language, which is found in Item C-149B, Paragraph B, of Chapter 943 states that:

Any agency or institution of higher education which has not expended or contractually obligated itself in a legally binding manner to expend 85 percent or more of its biennial general fund appropriation for maintenance reserve by June 30, 2004, shall revert to the general fund of the Commonwealth the amount related to the difference between its percentage actually expended or obligated and the 85 percent standard.

For the purpose of determining the 85 percent requirement, DPB used the maintenance reserve allocation for the 2002-04 biennium for each agency and institution of higher education per Chapter 943. In addition, the FY 2002 general fund yearend balance amounts, which were reappropriated in 2003, were added to your allocation to determine the **total biennial general fund maintenance reserve appropriation** available for expenditure in the 2002-04 biennium.

See Appendix J for calculation of the 85 percent requirement for each agency and institution.

As part of the yearend close process, DPB will use the May 7, 2004 CARS ACTR 1408 report to calculate the amount of general fund maintenance reserve dollars expended by each agency and institution of higher education. This amount will be added to actual FY 2003 expenditures to obtain the total your agency spent for the 2002-04 biennium. If the amount expended is greater than or equal to 85 percent of the amount appropriated to that agency or institution of higher education in the 2002-04

biennium (including FY 2002 reappropriation amounts), no further action will be required. If, however, the amount expended is below the 85 percent requirement, each such agency and institution of higher education must provide information to document any additional existing commitments against the existing appropriation. If there were approved appropriation transfers during this biennium between the maintenance reserve project and other capital projects, please note the transfer(s) in the justification block of the DPB Form A for your maintenance reserve project.

Your budget analyst will notify you if your agency falls below the 85 percent threshold and must submit additional information to satisfy the requirement of “contractually obligated in a legally binding manner.” To verify this obligation, agencies and institutions of higher education will be required to provide documentation to DPB to verify the commitment of funds. The following documentation must be submitted by **June 11, 2004**, along with the DPB Form A (Appendix G):

- A copy of a signed contract (signature page with project title is sufficient).
- A copy of an RFP issued no later than May 31, 2004, to identify contractually obligated projects with outside vendors.
- An internal billing record or other internal record to verify the obligation of funds for projects handled by the agency’s in-house workforce.

2004-2006 maintenance reserve funding

Item C- 194 of the 2004 Appropriation Act lists the general fund allocations for affected agencies and institutions of higher education for FY 2005 and FY 2006. DPB will transfer the FY 2005 funds to each agency prior to the start of the fiscal year.

Reestablishing closed out capital outlay projects and restoring reverted capital outlay project appropriations

Occasionally, after a project is closed out or an unexpended balance is reverted, an agency may discover that an unpaid obligation or requirement for the project exists. Because of these situations, there is language in the General Provisions of the Appropriation Act authorizing the DPB Director to restore reverted capital project balances and reestablish closed out projects. Section 4-1.06.c.1 authorizes the restoration of reverted capital project balances and § 4-1.06.c.2 authorizes the re-establishment of a closed capital project. **Restoration authorization is limited to reversions that occurred in the current and prior biennia.**

In some instances, there are no unexpended balances in the closed out project to be restored, and funds must come from another source to meet the unpaid obligation. In these situations, the project would be reestablished under the authority of § 4-1.06.c.2 of the General Provisions. However, because the project's fund source would be obtained through a transfer of appropriations or through additional nongeneral fund revenue, other sections of the General Provisions must be satisfied as well. Section 4-1.03 authorizes the transfer of appropriations and § 4-1.05.b. authorizes the appropriation of unappropriated nongeneral funds.

Requests for Reestablishing Closed Capital Outlay Projects and Restoring Project Funding. The agency must submit a written request to the DPB Director to reestablish a project and restore funding. The request must describe circumstances that led to the need to restore the project and identify the source of money to be restored to the project. The funding sources include reverted balances, transfers, and additional revenue.

APPENDIX A

State Agency Indebtedness Appropriation Act Language

§4-3.01 DEFICITS

a. GENERAL:

1. The Governor is authorized, if he determines an emergency exists, to approve deficit funding for a state agency under the following conditions:
 - a) An unanticipated federal or legal mandate has been imposed,
 - b) insufficient funds are available in the first year of the biennium for start-up of General Assembly-approved action or
 - c) delay in action may result in a substantial increase in cost or loss of other measurable benefit to the state in a General Assembly-approved activity.

Such approval by the Governor shall be in writing under the conditions described in § 4-3.02 a of this act, and shall be promptly communicated to the Chairmen of the House Appropriations and Senate Finance Committees. No emergency shall be deemed to exist because of conditions which could reasonably have been foreseen when the General Assembly was in session.

2. Deficits shall not be authorized for capital projects.
3. Except as provided in paragraph 4 of this subsection or by authority of the Governor, as described above, no state agency receiving appropriations under the provisions of this act shall obligate or expend funds in excess of its appropriations nor shall it, if appropriations are in whole, or in part, from nongeneral fund revenues, obligate or expend funds in excess of, or at a rate which would result in expenditures in excess of collections of such revenues combined with any general fund appropriations.
4. The Department of Transportation may obligate funds in excess of the current biennium appropriation for projects of a capital nature not covered by § 4-4.00 of this act provided such projects are delineated in the Six Year Improvement Program, as approved by the Commonwealth Transportation Board, and sufficient revenues are projected to meet all obligations for such projects.

- b. UNAUTHORIZED:** If any agency contravenes any of the prohibitions stated above, thereby incurring an unauthorized deficit, the Governor is hereby directed to withhold approval of such excess obligation or expenditure. Further, there shall be no reimbursement of said excess, nor shall there be any liability or obligation upon the state to make any appropriation hereafter to meet such unauthorized deficit. Further, those members of the governing board of any such agency who shall have voted therefore, or its head if there be no governing board, making any such excess obligation or expenditure shall be personally liable for the full amount of such unauthorized deficit and, at the discretion of the Governor, shall be deemed guilty of neglect of official duty and be subject to removal therefore. Further, the State Comptroller is hereby directed to make public any such unauthorized deficit, and the Director of the Department of Planning and Budget is hereby directed

to set out such unauthorized deficits in the next biennium budget. The Governor is hereby directed to report any such unauthorized deficit to the Chairmen of the House Appropriations and the Senate Finance Committees. In addition, the Governor is directed to bring this provision of this act to the attention of the members of the governing board of each state agency, or its head if there be no governing board, not later than the date this act becomes effective. (Emphasis added)

- c. **AUTHORIZED:** The amount which the Governor may authorize, under the provisions of this section during the current biennium, to be expended from loans repayable out of the general fund of the state treasury, for all state agencies, or other agencies combined, in excess of general fund appropriations for the current biennium, shall not exceed one and one-half percent (1 1/2%) of the revenues collected and paid into the general fund of the state treasury during the last year of the previous biennium and the first year of the current biennium.

**Acknowledgment Of Notification Of Provisions
Of The Appropriation Act Relating To Indebtedness
Of State Agencies**

Return by July 16, 2004

To: Director, Department of Planning and Budget

Section A

All Agencies

I have received and read your notice of May 12, 2004, and the enclosed copy of §4-3.01, 2004 Appropriation Act, regarding indebtedness of state agencies.

Agency Name _____ Agency Code _____

Agency Head Name _____

Agency Head Signature _____

(Personal signature required)

Date _____, 2004

Section B

Supervisory Board (§2.2-2100 of the Code of Virginia)

I have provided each member of the board of this agency with a copy of the notice in this memorandum and of §4-3.01 and I will provide the same material to those appointed to the board in the future.

Signature of Agency Head

Date: _____, 2004

Please use the following address to return this acknowledgment form:

BOS Secretary, General Provisions
Department of Planning and Budget
200 North Ninth Street, Room 418
Richmond, Virginia 23219

APPENDIX B

Summary of FY 2005 Central Appropriation Adjustments and Part 3 Transfers Pursuant to the 2004 Appropriation Act

The following describes actions provided for in the 2004 Appropriation Act. (Note: The amounts and paragraph numbers contained below reflect the conference report for the budget bill. Paragraph numbers may vary from the final version of the Appropriation Act.)

Central account adjustments

Unless otherwise indicated, the following allocations will be based on actual agency expenditures. Appendix I includes a summary of new fringe benefit rates resulting from the following actions. The resulting fringe benefit rates for FY 2005 associated with the budget actions listed below can be found in Appendix C of this document.

Item 499

- **Group Life Insurance contribution rate:** Paragraph B includes \$13.1 million in general fund savings from a complete suspension of group life insurance premiums for FY 2005.
- **Retirement contribution change:** Paragraph C requires the DPB Director to capture savings from agency appropriations, estimated to be \$13.4 million statewide. These savings are the result of changes in retirement contributions paid by state agencies and institutions of higher education to the Virginia Retirement System. Specifically, the majority of the appropriation reduction results from the fact that the retirement contribution rate built into agency base budgets was 9.24 percent, while the contribution rate in the 2004 Appropriation Act is 8.91 percent.
- **Retiree healthcare credit contribution rate:** Paragraph D includes \$2.8 million in general fund savings resulting in a reduction in the contributions paid for the retiree healthcare credit.

Item 500

- **Employer health insurance premium increases:** Paragraph A provides \$32.3 million in general fund dollars to fund the employer cost of increased health insurance premiums for FY 2005.

The transfer amounts will cover the general fund cost of the premium increases for 23 pay periods in FY 2005.

The agency reimbursement amounts will be computed using actual agency health insurance participation data as provided by the Department of Human Resource Management. The average

number of participants by type will be multiplied by the incremental change in the premium rates for the respective type of coverage.

Item 505

- **Virginia Sickness and Disability contribution rate:** Paragraph E provides \$8.5 million in general fund dollars for an increase in the contribution rates for the Virginia Sickness and Disability Program (VSDP).
- **State Employee Salary Increases:** Paragraph G provides \$26.5 million in general fund dollars for a three percent salary increase for state employees beginning November 25, 2004.
- **State Supported Local Employee Salary Increases:** Paragraph G provides \$7.3 million in general fund dollars for a three percent salary increase for state supported local employees beginning December 1, 2004.
- **State Trooper Salary Increases:** Paragraph F provides a total of \$5.1 million in general fund dollars for State Trooper salary increases. Included in this amount is \$2.0 million to bring the starting annual salary of State Troopers up to \$32,500. In addition, \$3.1 million is provided to address State Trooper salary compression issues.
- **Sheriffs' and Regional Jail Officer Salary Increases:** Paragraph F provides \$7.9 million in general fund dollars for a 4.82 percent salary increase for sheriffs, deputy sheriffs, and regional jail officers beginning December 1, 2004.
- **Capitol Police Salary Increases:** Paragraph P. provides \$215,520 in general fund dollars to address Capitol Police salary compression issues.
- **Judges and Justices Salary Increases:** Paragraph P. provides \$752,935 in general fund dollars for an additional 2.1 percent salary increase for Justices of the Supreme Court of Virginia and Judges of the Court of Appeals of Virginia, Circuit Courts, General District Courts, Juvenile and Domestic Relations District Courts, Combined District Courts, Commissioners of the State Corporation Commission and Commissioners of the Workers Compensation Commission.

Item 505

- **Utility Cost Increases at the Seat of Government:** Paragraph L. provides \$238,500 in general fund dollars for anticipated utility cost increases for agencies at the Seat of Government. These funds will be distributed to state agencies that are served by the rent plan administered by the Department of General Services.

Statewide Part 3 Nongeneral Fund Cash Transfers

Note: The nongeneral fund cash transfers listed below represent only those that impact agencies on a statewide basis. There are other nongeneral fund transfers that impact specific agencies. Agency representatives are highly encouraged to familiarize themselves with the contents of Section 3 of the 2004 Appropriation Act to find out if these more specific transfers impact their agencies.

- **Continuation of nongeneral fund budget reductions:** Section 3-1.01 Q. continues the nongeneral fund reductions that were put in place in Chapter 943. Specifically, the State Comptroller is required to recover from nongeneral fund agencies and deposit to the general fund approximately \$18.7 million. A table detailing the agency-by-agency amounts can be found in paragraph Q of Section 3-1.01.
- **Group life insurance rate suspension:** Section 3-1.01, Paragraph Y, requires the State Comptroller to recover from nongeneral fund agencies and deposit to the general fund approximately \$10.4 million in savings from the suspension of payments for group life insurance contributions. Federal fund sources are exempt from this transfer.
- **Retirement contribution rate change:** Section 3-1.01, Paragraph Z, requires the State Comptroller to recover from nongeneral fund agencies and deposit to the general fund approximately \$3.4 million in savings resulting from a change in retirement contributions paid to the Virginia Retirement System by state agencies and institutions of higher education. Federal fund sources are exempt from this transfer.
- **Retiree healthcare credit rate reductions:** Section 3-1.01, Paragraph AA, requires the State Comptroller to recover from nongeneral fund agencies and deposit to the general fund approximately \$2.5 million in savings resulting from a reduction in the contribution rate for the retiree healthcare credit. Federal fund sources are exempt from this transfer.
- **Telecommunications contract savings:** Section 3-1.01 BB requires the State Comptroller to recover from nongeneral fund agencies and deposit to the general fund approximately \$1.4 million resulting from savings pursuant to a telecommunications contract signed between a new vendor and the Department of Information Technology.
- **Virginia Information Technologies Agency centralized electronic mail:** Section 3-1.01 DD requires the State Comptroller to recover from nongeneral fund agencies and deposit to the general fund approximately \$671,200 resulting from elimination of duplicate electronic mail systems. Executive branch agencies currently operate 94 separate electronic mail systems. Eliminating this duplication will simplify cross-agency communications, permitting a unified directory service, while significantly reducing licensing and support costs.
- **Virginia Information Technologies Agency data-telecommunications lines:** Section 3-1.01 CC requires the State Comptroller to recover from nongeneral fund agencies and deposit to the general fund approximately \$18,000 resulting from savings on renegotiated rates for data-telecommunication lines.

Summary of FY 2005 Central Account Actions General Fund Per 2004 Appropriation Act

Item 499, reversion clearing account – Miscellaneous

Savings from a change in retirement contribution rates	(\$13,362,885)
Savings from a continuation of the Group life premium holiday	(\$13,138,901)
Savings from a reduction in retiree health credit contributions	(\$2,792,010)
Total, reversion clearing account (Item 499)	(\$29,293,796)

Item 500, personnel management services

Increased state employee health insurance premiums	<u>\$32,321,564</u>
Total, personnel management services (Item 500)	\$32,321,564

Item 503, personal property tax relief program

Car tax relief	<u>\$947,889,232</u>
Total, personal property tax relief (Item 503)	\$947,889,232

Item 505, compensation supplements

Increase VSDP rates	<u>\$8,465,663</u>
State Employee Salary Increase	<u>\$26,472,159</u>
Local Employee Salary Increase	<u>\$7,309,808</u>
Trooper Salary Increases	<u>\$5,147,626</u>
Judges Salary Increase	<u>\$752,935</u>
Capitol Police Salary Compression	<u>\$215,520</u>
Sheriffs Salary Increase	<u>\$7,889,355</u>
Total, compensation supplements (Item 505)	\$56,253,066

Item 506, economic contingency

Governor's Development Opportunity Fund	\$12,000,000
Virginia Equine Center Foundation	\$890,000
Legal defense	\$50,000
Economic contingency	\$2,200,000
Semiconductor/Logic Wafer grants	\$6,720,000
Solar Photovoltaic grant funding	\$1,877,758
Increased Utility Costs at the Seat of Government	\$238,500
Total, economic contingency (Item 506)	\$23,976,258

Item 507, public safety telecommunications and information systems infrastructure

State Agency Radio System (STARS) operating funds	<u>\$2,510,000</u>
Department of Forestry two-way radio system	\$123,599
Total, public safety telecommunications and information systems infrastructure (Item 507)	\$2,633,599

Grand Total, Central Accounts General Fund	\$1,033,779,923
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Summary of FY 2004 Part 3 Cash Transfer Actions Impacting Multiple State Agencies

<i>Paragraph (\$3-1.01)</i>	<i>Description</i>	<i>Total</i>
Q.	Continuation of NGF budget reductions	\$18,745,408
Y.	NGF share of savings from a continuation of the group life premium holiday	\$10,396,608
Z.	NGF share of savings from a change in retirement contribution rates.	\$3,407,961
AA.	NGF share of a reduction in contribution rates for the retiree health credit program	-\$2,503,872
BBB.	Telecommunications contract savings	\$1,352,284
DDD.	Virginia Information Technologies Agency centralized electronic mail	\$671,200
EEE.	Virginia Information Technologies Agency data-telecommunications lines	\$18,000

*The amounts in the previous table reflect transfers impacting multiple agencies. Additional transfers are included in the 2004 Appropriation Act that impact specific agencies. For more information, see Part 3 of the 2004 Appropriation Act.

APPENDIX C

Employer Fringe Benefit Rates For FY 2005

<i>Subobject</i>	<i>Factor</i>	<i>Annual Costs/Factor¹</i>
1111	VRS Retirement Contributions	
	State Employees	8.91%
	Virginia Law Officers Retirement (VaLORS)	21.99%
	State Police (SPORS)	21.49%
	Judges (JRS)	35.55%
1112	Social Security²	6.20% capped at \$87,900
1112	Medicare	1.45%
1114	Group Life	Premium Holiday
1115	Annual Employer Health Insurance Premiums	
	COVA Care (Statewide) and Kaiser (Northern VA)	
	Single	\$3,624
	Employee Plus One	\$6,468
	Family	\$9,480
1116	Retiree Health Insurance Credit Premium	1.04%
1117	VSDP & Long-Term Disability Insurance	
	State employees	1.65%
	State Police	1.65%
	VaLORS	1.65%
1118	Teachers Insurance and Annuity³	10.40%
1119	Defined Contribution Plan⁴	10.40%
1138	Deferred Compensation Match Payments	One-half of an employee's contribution per pay period, up to a maximum of \$20 per pay period or \$480 annually.

¹ Percentage costs refer to percent of salaries. Health insurance premiums are the annual employer dollar cost for an individual.

² The \$87,900 Social Security cap applies only to calendar year 2004. The Federal Social Security Administration will update this cap for calendar year 2005 at a later date.

³ For institutions of higher education: This includes alternative retirement options, such as TIAA-CREF, for those employees as defined in § 51.1-126 of the Code of Virginia.

⁴ Used for employees eligible for a defined contribution plan established pursuant to § 51.1-126.5 of the Code of Virginia.

APPENDIX D

2004 APPROPRIATION ACT

APPROPRIATIONS NOT TO BE ALLOTTED

JULY 1, 2004

The 2004 Appropriation Act contains certain appropriations that are not to be initially allotted and available for expenditure on July 1, 2004, for the following reasons:

- Some type of prior approval by the Governor or other designated person is required.
- There is a match requirement.
- The appropriation is not expended in the agency to which it is made, but is transferred to other agencies for expenditure. An example is the compensation supplement appropriation, Item 505.

The following table is a list of such appropriations. These amounts will be established as unallotted in PROBUD and CARS on July 1, 2004, and will not be available for expenditure. If expenditure is conditioned upon a prior approval action or a match requirement, these criteria must be satisfied before the appropriation can be allotted.

FY 2005 APPROPRIATIONS NOT TO BE ALLOTTED
ON JULY 1, 2004
2004 APPROPRIATION ACT

General Fund Unless Otherwise Indicated
Operating Expense Appropriations Only

<i>Item</i>	<i>Agency Code and Agency</i>	<i>Amount</i>	<i>Program</i>	<i>Description</i>
67 Par. D	157 Compensation Board	\$377,010	356	Unbudgeted medical expenses in local correctional facilities
110 Par. A	165 Department of Housing and Community Development	\$2,115,220 GF \$100,000 NGF (09) \$3,427,000 NGF (10)	458	Local or private match for amounts allocated for emergency shelters
164 Par. B	245 State Council of Higher Education	\$6,277,568	110	Appropriations (Eminent Scholars) for transfer to institutions subject to Secretary of Education approval.
169	242 Christopher Newport University	\$2,806,498	108	Approval of plan by SCHEV*
173	204 College of William and Mary	\$4,087,063	108	Approval of plan by SCHEV*
177	241 Richard Bland College	\$226,709	108	Approval of plan by SCHEV*
182 Par. A.	247 George Mason University	\$289,614 GF \$124,120 NGF (03)	100	Plan for graduate engineering education to be approved by SCHEV.
183	247 George Mason University	\$8,388,495 GF \$50,642 NGF (03)	108	Approval of plan by SCHEV*
187	216 James Madison University	\$4,736,949 GF \$159,778 NGF	108	Approval of plan by SCHEV*
190 Par. B.	214 Longwood University	\$29,050 GF \$12,450 NGF (03)	100	Plan for graduate engineering education to be approved by SCHEV.
191	214 Longwood University	\$2,354,110	108	Approval of plan by SCHEV*
194 Par. A.	215 University of Mary Washington	\$80,483 GF \$36,130 NGF (03)	100	Plan for graduate engineering education to be approved by SCHEV.
195	215 University of Mary Washington	\$1,016,397	108	Approval of plan by SCHEV*

**Pursuant to §4-5.01 b.1.a) 2003 Appropriation ct

<i>Item</i>	<i>Agency Code and Agency</i>	<i>Amount</i>	<i>Program</i>	<i>Description</i>
200 Par. B.1.	213 Norfolk State University	\$70,000	100	Match requirement for Dozoretz Institute.
201	213 Norfolk State University	\$4,358,468 GF \$1,659,273 NGF	108	Approval of plan by SCHEV*
204 Par. A.	221 Old Dominion University	\$431,013 GF \$198,244 NGF (03)	100	Plan for graduate engineering education to be approved by SCHEV
205	221 Old Dominion University	\$7,810,929	108	Approval of plan by SCHEV*
209	217 Radford University	\$4,137,001	108	Approval of plan by SCHEV*
213 Par. C.	207 University of Virginia	\$625,197 GF \$318,850 NGF	100	Plan for graduate engineering education to be approved by SCHEV.
214	207 University of Virginia	\$6,149,848 GF \$10,435,499 NGF	108	Approval of plan by SCHEV*
222	246 University of Virginia's College at Wise	\$1,099,910	108	Approval of plan by SCHEV*
225 Par. C.	236 Virginia Commonwealth University	\$388,468 GF \$168,533 NGF (03)	100	Plan for graduate engineering education to be approved by SCHEV.
226	236 Virginia Commonwealth University	\$10,111,465	108	Approval of plan by SCHEV*
230 Par. H. 2.	260 Virginia Community College System	\$296,415	100	Match for A.L. Philpott manufacturer's assistance program.
230 Par. N.	260 Virginia Community College System	\$508,140	100	Match for four work force training centers
231	260 Virginia Community College System	\$13,254,976 GF \$58,500,000 NGF (03)	108	Approval of plan by SCHEV*
238	211 Virginia Military Institute	\$598,494 GF \$200,000 NGF (03)	108	Approval of plan by SCHEV*
240 Par. B.2	211 Virginia Military Institute	\$1,372,484	113	Certification required for number of cadets at Mary Baldwin College and Virginia Tech
242, Par. A.	208 Virginia Polytechnic Institute and State University	\$869,882 GF \$436,357 NGF (03)	100	Plan for graduate engineering education to be approved by SCHEV.

*Pursuant to §4-5.01 b.2 a), 2003 Appropriation Act

* Pursuant to §4-5.01 b.1.a), 2003 Appropriation Act

<i>Item</i>	<i>Agency Code and Agency</i>	<i>Amount</i>	<i>Program</i>	<i>Description</i>
243	208 Virginia Polytechnic Institute and State University	\$9,917,470	108	Approval of plan by SCHEV*
248	212 Virginia State University	\$2,868,327 GF \$178,112 NGF	108	Approval of plan by SCHEV*
255 Par. A.1	400 Jamestown 2007	\$241,460 GF \$23,565 (02) \$5,000,000 (09)	502	Pursuant to progress reports required by Par. D.
265 Par. E.	274 Eastern Virginia Medical School	\$6,158,108	110	Approval of plan by Department of Medical Assistance Services
288 Par. 2.e.	161 Department of Taxation	\$11,314,222 NGF (0236)	747	Spending requires approval of DPB.
467 Par. B.2	136 Virginia Information Technologies Agency	\$1,000,000 NGF (09)	712	Approval of Wireless E-911 Services Board required for allotment
499	995 Central Appropriations	(\$29,293,796)	226	Reversion Clearing Account – Miscellaneous
500 Par. A	995 Central Appropriations	\$32,321,564	704	Supplement for increase in employer share of health insurance premiums
502	995 Central Appropriations	\$75,713,760 NGF (07)	745	Financial Assistance from Tobacco Settlement
503	995 Central Appropriations	\$947,889,232	746	Car tax relief
505	995 Central Appropriations	\$56,253,066	757	Central appropriation for compensation supplements
506	995 Central Appropriations	\$23,976,258	758	Economic contingency fund
507	995 Central Appropriations	\$2,633,599	827	Public Safety Telecommunications and Information Systems Infrastructure

*Pursuant to § 4-5.01 b.1.a), 2004 Appropriation Act

APPENDIX E

Convenience Subobject Codes

The following convenience subobject codes may appear in your July 1, 2004, appropriations data in PROBUD and CARS. These convenience codes are broken out into those that must be removed on or before October 1 by submitting a FATS Type M transaction and those that do not have to be cleared out. **Expenditures cannot be made against either group of convenience codes.**

Convenience codes that must be removed by October 1, 2004 by distributing the amounts to valid expenditure subobject codes:

1185	FTE, Undistributed :Legislative Appropriation
5100	Undistributed Savings Amount
6100	Undistributed Biennial Budget Amounts
6200	Undistributed Nonpersonal Services Across-the-board reductions
8600	Undistributed Legislative Appropriation
8900	PROBUD Redistribution Code

Convenience codes that do not need to be cleared out:

1295	Undistributed contractual services
1395	Undistributed supplies and materials
1495	Undistributed transfer payments
1595	Undistributed continuous charges
2195	Undistributed property and improvements
2295	Undistributed equipment
2395	Undistributed obligations

Convenience Fund codes that must be removed by October 1, 2004 by distributing the amounts to valid fund group

1200	FTE, Undistributed Legislative Amount
------	---------------------------------------

For definitions of these convenience codes, refer to the complete list of convenience codes in effect for FY 2005 that will be available on June 3, 2004, on DPB's web site at the following link:

<http://www.dpb.state.va.us/forms/forms.cfm> (*Search for Expenditure Structure.*)

APPENDIX F

Treasury Board

FY 2005 HEETF Lease Payments

<i>Institution</i>	<i>Amount (NGF 0300)</i>
Christopher Newport University	\$14,045
College of William and Mary	\$134,606
George Mason University	\$117,484
James Madison University	\$122,920
Longwood University	\$49,981
Mary Washington College	\$59,764
Norfolk State University	\$41,676
Old Dominion University	\$253,142
Radford University	\$103,127
Richard Bland College	\$1,481
University of Virginia	\$313,532
University of Virginia's College at Wise	\$16,258
Virginia Commonwealth University	\$214,930
Virginia Community College System	\$512,750
Virginia Military Institute	\$22,690
Virginia Polytechnic Institute and State University	\$415,254
Virginia State University	\$28,964
Total	\$2,422,604

APPENDIX G

Institutions of Higher Education FY 2005 Capital Fee for Out-of-State Students

<i>Institution</i>	<i>Agency Code</i>	<i>Amount</i>
Christopher Newport University	242	\$7,190
College of William and Mary	204	\$133,950
George Mason University	247	\$114,035
James Madison University	216	\$219,230
Longwood University	214	\$9,130
Mary Washington College	215	\$55,465
Norfolk State University	213	\$75,375
Old Dominion University	224	\$108,790
Radford University	217	\$51,190
Richard Bland College	241	\$1,165
University of Virginia	207	\$376,300
University of Virginia's College at Wise	246	\$3,790
Virginia Commonwealth University	236	\$94,125
Virginia Community College System	260	\$258,960
Virginia Military Institute	211	\$36,135
Virginia Polytechnic Institute and State University	208	\$386,400
Virginia State University	212	\$68,770
Total		\$2,000,000

APPENDIX H

Request to Use Recovery Subobject Codes

**REQUEST TO USE RECOVERY SUBOBJECT CODES**

Agency Name: _____ Agency Code: _____
Program Name: _____ Program Code: _____
Requested Recovery Subobject Code Number(s): _____ Fiscal Year: _____
Person Completing form: _____ Phone # _____
E-mail address: _____

PURPOSE OF RECOVERY:

Check how the recovery codes are used

- ☐ Refunds made by vendors or parties outside of state government.
☐ Transfer expenses between funds.
☐ Process reimbursable federal grants.
☐ Other (describe)

DESCRIPTION AND EXPLANATION**ALTERNATIVE TO USING THE CODE:****DPB ACTION**☐

Approved

☐

Denied

Signature: _____ Date: _____

(See instructions on reverse)

Instructions for Completing DPB Form OC-1 Request to Use Recovery Subobject Codes xx98 and xx99

1. Complete one copy of this form for each unique recovery occurring within a budgeted program for which you have not previously received approval from DPB to use. (This Appendix G provides a list of all approved recovery codes.) For example, if an agency uses recovery codes for two unique purposes within a program, two forms should be completed. Examples of unique recoveries include payment for services rendered to a party outside state government, federal fund recoveries, or other nongeneral fund recoveries.
2. The form may list more than one recovery subobject, provided it is used for the unique purpose discussed on the form. For example, the activity may require use of 1199, 1299, and 1399.
3. Requests must be submitted to DPB by June 7, 2004, for action by July 1, 2004. Any requests after June 7, 2004 will be processed within 30 days.

Purpose of Recovery

Check the appropriate box on the form to show the proposed purpose of the recovery.

Description and Explanation

Describe how the recovery code will be used and explain why it is needed. What is the unique situation requiring the recovery code? Be sure to address how the proposed usage is consistent with DPB and DOA in accordance with the guidelines published on the DOA website at:

<http://www.doa.state.va.us/procedures/FinancialReporting/Pass-Through/Memo.htm>

Alternative to Using the Code

What accounting or budgeting method would the agency need to implement if use of the recovery code is not approved? Why is the alternative not a viable option?

DPB Action

This section is for DPB use only.

This form is available on DPB's web site at the following link:

<http://www.dpb.state.va.us/forms/forms.cfm>

Authorized Recovery Codes for the 2004-2006 Biennium

Agy Code	Agency Title	Program	1198	1199	1298	1299	1398	1399	1498	1499	1598	1599	2198	2199	2298	2299	2399	3199
140	Department of Criminal Justice Services	302, 303, 304, 305, 306, 319, 390, 560	X	X	X	X	X	X	X	X	X	X			X	X		
141	Office of the Attorney General	320, 552		X														
146	Science Museum of Virginia	145		X														
156	Department of State Police	302, 304				X												
165	Department of Housing & Community Development	533, 562			X	X												
171	State Corporation Commission	552, 553, 556, 563, 579, 601, 734		X		X		X				X				X		
194	Department of General Services	726, 727, 730, 741, 749	X	X	X	X	X	X			X							
202	Library of Virginia	137, 142, 149	X	X		X		X						X				
204	College of William and Mary	100-107, 110, 809		X		X		X		X		X		X		X	X	X
207	University of Virginia	100-107, 110, 809	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
208	Virginia Polytechnic Institute & State University	100-107, 110, 809	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
209	UVA Health Systems	430, 449								X								

Agy Code	Agency Title	Program	1198	1199	1298	1299	1398	1399	1498	1499	1598	1599	2198	2199	2298	2299	2399	3199
211	Virginia Military Institute	100-107, 809		X		X		X		X		X		X		X	X	
212	Virginia State University	100-107, 110, 809		X		X		X		X		X				X	X	
213	Norfolk State University	100-107		X		X		X				X						
214	Longwood University	100-107, 110, 809		X		X		X										
215	Mary Washington College	100-107, 809		X		X		X		X		X		X				
216	James Madison University	100-107, 110, 809	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X
217	Radford University	100-107, 809		X		X		X				X						
218	Virginia School for the Deaf and the Blind at Staunton	197, 199		X		X		X				X				X		
219	Virginia School for the Deaf, Blind and Multi-Disabled at Hampton	199		X		X		X			X	X				X		
221	Old Dominion University	100-107, 110, 430, 809	X	X	X	X	X	X	X	X	X	X			X	X		
229	VPISU Cooperative Extension	100-107	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
236	Virginia Commonwealth University	100-107, 430, 110, 809	X	X	X	X	X	X	X	X		X			X	X		
238	Virginia Museum of Fine Arts	145		X		X		X				X				X		
241	Richard Bland College	100-107		X														

Agy Code	Agency Title	Program	1198	1199	1298	1299	1398	1399	1498	1499	1598	1599	2198	2199	2298	2299	2399	3199
242	Christopher Newport University	100-107, 110, 809		X		X		X		X		X		X		X	X	
246	University of Virginia's College at Wise	100-107, 110, 809		X		X		X		X		X				X		
247	George Mason University	100-107, 809		X		X		X				X						
260	Virginia Community College System	100-107	X	X	X	X	X	X				X				X		
268	Virginia Institute of Marine Science	100-107, 110	X	X	X	X	X	X				X			X	X		
325	Department of Business Assistance	534			X	X												
423	Department of Historic Resources	502, 519	X															
440	Department of Environmental Quality	514, 519, All		X	X	X						X						
501	Virginia Department of Transportation	All		X		X		X		X		X		X		X		X
601	Virginia Department of Health	403, 405, 406, 420, 430, 440, 449	X	X	X	X	X	X	X	X	X	X			X	X		
602	Department of Medical Assistance Services	456, 479, 446				X												
706	Western State Hospital	430, 449			X		X											
720	Department of Mental Health, Mental Retardation and Substance Abuse Services	449	X	X														

Agy Code	Agency Title	Program	1198	1199	1298	1299	1398	1399	1498	1499	1598	1599	2198	2199	2298	2299	2399	3199
795	Division of Institutions	319, 357, 379, 802				X		X										
799	Department of Corrections	379				X		X										
960	Department of Fire Programs	728, 744	X	X	X	X	X	X	X	X	X	X			X	X		

APPENDIX I

Instructions for Completing DPB Form A (2004) Capital Project Review Summary

Section 4-5.05.d.1. of Chapter 943 requires the Director, Department of Planning and Budget, and the Director, Department of General Services, to develop performance measures for capital projects. The DPB Form A will be used to collect capital project performance measurement information in addition to the project reappropriation information. DPB Form A is in a Microsoft Access database. Please refer to the following instructions for completing the form which can be found at the DPB website (www.dpb.state.va.us) under “Documents and Forms.”

1. Complete this form for each project reported on the CARS ACTR 1408 Option A2, for May 7, 2004. This includes active projects and completed projects. This does not include projects on the CARS ACTR 1408 that were reported as completed on the DPB Form A the previous year and have no appropriation balances.
2. This form must be completed for projects that meet any one of the following criteria: a) are funded in an Appropriation Act, b) are funded by revenue bonds, or c) are authorized by the Governor pursuant to § 4-4.01.m of Chapter 943.
3. For any project not approved for carryforward, DPB will close out the project and remove its appropriation from PROBUD and CARS as of June 30, 2004. If you do not submit a DPB Form A for a project, DPB will assume the project has been completed and will close it out.
4. Do not submit a separate Access file for each project. Enter all of your agency project information in one file. Please note that you may view the report for all projects in an agency or for the current project selected in the database simply by going to the "Reports..." menu in the toolbar. In addition, you can add a new record, navigate through the database, or delete a project record using buttons on the toolbar. Send the completed Access database electronically to CapitalBudget@dpb.state.va.us.

The section-by-section instructions for the Access form are as follows:

General Information

Complete this section by entering the agency's name and its three-digit code and by entering the project title and project code. The “Project Type” block contains a drop-down menu. Please select the choice that best describes the project. In some cases, more than one choice may apply to a project. Again, choose the description that best fits your project. **If the project is an “umbrella” project** such as maintenance reserve, **then identify it as such** and do not complete the “Status of Project” section.

Three other blocks must also be completed. In the “Carryforward Request Type” block, which contains a drop-down menu, please select the appropriate type of carry forward request for the project in question. The choices include: “A. Active, Carryforward All Balances”; “B. Active, Partial Reversion”; and “C. Project Complete.”

In the “Date Funding Made Available” block, **please enter the date on which funds were first made available for this project** (i.e., the initial authorization date of the project’s funding.) For projects authorized by an appropriation act for either the first or second year of a biennium, this date should normally be July 1. If the project was authorized administratively as an “m” project or through Central Accounts, the date should be the date on which the decision brief for that action was approved. For all entries, please enter the date as month, day, and year.

In the “Estimated Completion Date” block, please enter the date on which the agency believes this project will be completed. This date should be entered as month, day, and year. If the project is complete, then enter the date on which a Form CO-13.1 or Form CO-13.3 was approved.

Basis for Carryforward

Please check all of the conditions that apply to the project.

Status of Project

Note: This section should not be completed for umbrella projects or maintenance reserve projects.

If any of the capital outlay forms shown in this section have been approved for your project, check the appropriate box. In addition, please enter the date on which that initial approval was granted and the date on which approval was granted for the latest revision of that form. Dates should be entered as month, day, and year. In addition, please enter the project’s total square footage as recorded on the latest revision of any form approved for the project. If the square footage was not recorded on a particular form, then leave that field blank. If a particular form has not been approved for the project, then do not check the box for that form or enter any dates for that form. If no capital outlay form has been approved for the project, then leave this entire section blank.

Project Budget Status

Please complete this section for all projects (including completed projects) except maintenance reserve projects.

Original Project Budget. The amounts entered in this column should equal those listed in the project budget shown on the **original** CO-2 approved for the project.

Current Project Budget. The amounts entered in this column should equal those listed in the project budget shown on the **most recently approved** capital outlay form.

Project Commitments. The amounts entered in this column should equal the amounts shown in the project’s contract documents (i.e., CO-3 for A&E services, CO-9 for construction, or other

contractual documents for testing and inspection services) and reflect the project's status as of May 7, 2004. Please note the following guidelines for contingencies: (1) the contingency amount should be equal to the larger of the total construction change orders or two percent of the construction contract for standalone construction projects and improvement projects in excess of \$1 million, or (2) five percent for improvement projects less than \$1 million.

Project Expenditures. This amount should equal the total value of all vouchers that have been processed in CARS during this fiscal year (through May 7, 2004) **plus** expenditures from prior fiscal years. In other words, this column should reflect **lifetime-to-date** expenditures for the project.

Carryforward Request. In this column, enter the total carryforward request for each type of activity shown.

Additional Information. This section is to be used to identify the amount to be reverted and the total number and value of change orders for the project. For any reversions, the agency should identify the amount and fund detail of the reversion. Four fields have been provided to record general fund reversions and any nongeneral fund reversions. In addition, agencies are required to report the total value of any general fund or nongeneral fund financed change orders and the total number of change orders processed for the project. If no change orders have been processed, then do not enter anything in these fields.

Justification

Provide a statement justifying any carryforward request in excess of the difference between Project Commitments less Project Expenditures. In addition, please complete the other blocks to capture the identity of the person completing this form.

APPENDIX J

2002-2004 General Fund Maintenance Reserve 85 Percent Spending Requirements

Agency Code	Agency Name	Project Code	FY 2003 GF Appropriation	FY 2004 GF Appropriation	June 30, 2002 Balance	Total Appropriation 2002-2004 Biennium	85 Percent Target
123	Military Affairs	10893	98,037	101,182	110,366	309,585	263,147
127	Emergency Services	15989	1,668	1,721	7,815	11,204	9,523
140	Criminal Justice Services	16320	2,074	2,140	4,186	8,400	7,140
146	Science Museum of Virginia	13634	155,934	160,937	201,570	518,441	440,675
156	State Police	10886	35,897	37,049	178,652	251,598	213,858
161	Taxation	15994	31,897	32,920	223,794	288,611	245,319
194	General Services	14260	478,431	489,767	578,086	1,546,284	1,314,341
199	Conservation & Recreation	16646	116,208	118,333	0	234,541	199,360
203	Woodrow Wilson Rehabilitation Center	10885	202,028	208,510	739,705	1,150,243	977,707
204	College of William and Mary	12713	483,835	493,159	591,244	1,568,238	1,333,002
207	University of Virginia	12704	1,533,700	1,563,255	382,517	3,479,472	2,957,551
208	Virginia Polytechnic Institute	12707	1,583,558	1,614,074	1,366,426	4,564,058	3,879,449
211	Virginia Military Institute	12732	263,155	268,227	928,966	1,460,348	1,241,296
212	Virginia State University	12733	195,319	0	0	195,319	166,021
213	Norfolk State University	12724	89,167	0	0	89,167	75,792
214	Longwood College	12722	286,114	291,628	254,039	831,781	707,014
215	Mary Washington College	12723	106,247	108,294	157,746	372,287	316,444
216	James Madison University	12718	455,483	464,261	233,158	1,152,902	979,967
217	Radford University	12731	193,611	197,342	431,230	822,183	698,856
218	School for the Deaf and Blind - Staunton	14082	52,999	54,699	86,004	193,702	164,647

Agency Code	Agency Name	Project Code	FY 2003 GF Appropriation	FY 2004 GF Appropriation	June 30, 2002 Balance	Total Appropriation 2002-2004 Biennium	85 Percent Target
219	School for the Deaf, Blind and Multidisabled - Hampton	12543	0	0	828,103	828,103	703,888
220	Melchers-Monroe Memorials	13565	2,083	2,150	0	4,233	3,598
221	Old Dominion University	12710	312,647	318,672	711,149	1,342,468	1,141,098
236	Virginia Commonwealth University	12708	994,339	1,013,500	767,158	2,774,997	2,358,747
238	Virginia Museum of Fine Arts	13633	147,998	152,747	885,233	1,185,978	1,008,081
239	Frontier Culture Museum of Virginia	15045	18,741	19,342	101,783	139,866	118,886
241	Richard Bland College	12716	12,021	12,253	122,219	146,493	124,519
242	Christopher Newport University	12719	86,892	88,566	85,278	260,736	221,626
246	UVa's College at Wise	12706	61,893	63,086	0	124,979	106,232
247	George Mason University	12712	551,850	562,483	42,328	1,156,661	983,162
260	Virginia Community College System	12611	1,146,917	1,169,019	2,281,993	4,597,929	3,908,240
268	Virginia Institute of Marine Science	12331	79,065	81,602	158,639	319,306	271,410
301	Agriculture & Consumer Services	12253	32,704	33,753	33,422	99,879	84,897
402	Marine Resources Commission	16498	396	409	2,397	3,202	2,722
409	Mines, Minerals and Energy	13096	0	0	10,437	10,437	8,871
411	Forestry	13986	29,304	30,244	14,388	73,936	62,846
417	Gunston Hall Plantation	12382	13,318	13,745	87,622	114,685	97,482
425	Jamestown-Yorktown Foundation	13605	123,241	127,196	240,537	490,974	417,328
702	Blind and Vision Impaired	13942	45,384	46,841	0	92,225	78,391
720	Mental Health	10880	1,248,110	1,288,153	1,038,799	3,575,062	3,038,803
777	Juvenile Justice	15081	367,178	378,958	2,327,241	3,073,377	2,612,370
799	Corrections	10887	814,037	840,154	4,749,435	6,403,626	5,443,082

Agency Code	Agency Name	Project Code	FY 2003 GF Appropriation	FY 2004 GF Appropriation	June 30, 2002 Balance	Total Appropriation 2002-2004 Biennium	85 Percent Target
942	Virginia Museum of Natural History	14439	8,134	8,395	2,894	19,423	16,510
948	Southwest Virginia Higher Education Center	16499	448	463	0	911	774
	Statewide Total		\$12,462,062	\$12,459,229	\$20,966,559	\$45,887,850	\$39,004,673